

DELIVERED ELECTRONICALLY

April 1, 2022

Mr. Steven Horton
SHCCSI
PO Box 399
Walpole, NH 03608

RE: Docket No. GMCB-014-21con, North Country Hospital, Construction and Renovation Project Involving the In-Patient Department, Emergency Department, Lab Department, OT/PT/ST Department and Access and Canopies. Total Project Cost: \$27,898,176.

Dear Mr. Horton:

Thank you for your responses to the first set of questions for the above reference project. Please respond to the financial questions below.

1. On page 6 of the application, it states that North Country Hospital is pursuing grant and alternative funding opportunities of approximately \$7,650,000. Identify where these grant funds are recorded in financial Tables 1-5. If not included, revise and resubmit.
2. In Table 1, debt financing expenses are listed as \$3,216,506 and in Table 2, working capital is listed as \$3,216,506. Explain why these values are the same and identify where these values are reflected in the Income Statement (Table 3 A, B, C) and the Balance Sheet (Table 4 A, B, C). If not reflected, revise and resubmit.
3. In Table 4 (Balance Sheet), Land, Buildings & Improvements and Major Moveable Equipment are listed, but in Table 2 there are no line items equal to these amounts and Major Moveable Equipment has no amount listed. Correct and resubmit Table 2 and Table 4 A, B, and C if revisions are needed.
4. On Table 3 A,B,C, the interest expense for 2023 for the project is equal to the amount of depreciation for 2024. Explain why these are the same and if incorrect, revise and resubmit.
5. Explain whether this project will increase payer rates (change in charge).



6. In Table 7 A, B, C, there are no changes in utilization due to the project. Confirm if this is true and if not, correct and resubmit.
7. In Table 3, a 1.8%, 1.8%, and 1.7% operating margin is listed for 2023-2025 without the project. With the project, the operating margin is listed as 0.8%, -0.2%, and -0.2%. Per the FY22 Hospital Budget Order, North Country Hospital is expecting to incur costs for a new Electronic Medical Records (EMR) system. Explain how the hospital will absorb the additional expenses for this proposed project and the EMR system without additional utilization and revenue.
8. Table 8 A, B, C (Staffing), shows no change in staffing due to the project. Confirm whether this is the case. If not, revise and resubmit.

In responding, restate the question in bold font and respond in unbolded font. Send an electronic copy to me at donna.jerry@vermont.gov and one hard copy (three-hole punched) with a Verification Under Oath to my attention at the Green Mountain Care Board, 144 State Street, Montpelier, Vermont 05602.

If you have any questions, please do not hesitate to contact me at 802-760-8162.

Sincerely,

s/ Donna Jerry
Senior Health Policy Analyst
Green Mountain Care Board

cc. Laura Beliveau
Staff Attorney

